power sector related issues were discussed. The discussions, *inter-alia*, were focused on following issues:

* Development of Ultra Mega Project.
* The strategy for capacity development during 11th Plan period including deblocking of coal blocks.
* Development and expansion of gas production for gas based power plants.
* Realization of full hydro potential.
* Financial health of State Utilities.

(c) No such proposal was discussed in the meeting.

Free supply of power

493. SHRI PRAMOD MAHAJAN: Will the Minister of POWER be pleased to state what steps are being taken by Government to desist the State Governments from free supply of power to any user including farmers?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): As per the provisions of the Electricity Act, 2003 the State Electricity Regulatory Commissions (SERCs) have the powers to fix tariff for sale of electricity to consumers including farmers.

Section 65 of the Act provides that if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission, the State Government shall pay to the concerned utility/licensee the full amount required to compensate the grant of subsidy.

Government of India has notified Tariff Policy under the provisions of the Act. The Policy states that extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity besides, in most cases, lowering of water table in turn creating avoidable problem of water shortages for irrigation and drinking water for later generations.